

RESOLUTION NO. 747

A RESOLUTION AMENDING CITY RESOLUTION NO. 744 RELATING TO THE FINANCING OF A GOLF COURSE CLUBHOUSE AND RELATED IMPROVEMENTS AND AUTHORIZING EXECUTION OF DOCUMENTS FOR INTERIM FINANCING AND PERMANENT FINANCING.

WHEREAS, the City of Prineville (the "City") adopted Resolution No. 744 on January 26, 1993, which provided, in part, for the execution of documents pertaining to immediate interim financing and eventual permanent financing of the Property as defined in Resolution No. 744; and

WHEREAS, additional negotiations have occurred since January 26, 1993, and US Bank as defined in Resolution No. 744 is now prepared to provide immediate interim and permanent financing in accordance with offers which it has or will make to the City; and

WHEREAS, Section 3 of Resolution No. 744 should be amended to authorize execution of all documents necessary to effectuate the interim and permanent financing including but not limited to a note, a Lease/Purchase Agreement, a Site Lease/Default Agreement and to take any other action necessary for the financing;

NOW THEREFORE the Council of the City does resolve as follows:

Section 1. Amendment of Section 3 of Resolution No. 744.

Section 3 of Resolution No. 744 is hereby amended to read as follows:

Section 3. Security. The Note is payable solely from, and at the time of receipt of, the proceeds of (i) the permanent lease/purchase financing of the Property with US Bank pursuant to the Site Lease/Default Agreement, in form attached hereto as Exhibit E, and the Lease/Purchase Agreement, in form attached hereto as Exhibit C, (ii) any Note proceeds that have not been expended, including Note proceeds held by the City or held by an escrow agent, and (iii) the proceeds of any other permanent financing of the Property. The City shall enter into the Site Lease for the Property in consideration of execution and delivery to the Note and the Lease/Purchase Agreement. The City covenants and warrants with US Bank that it will not so long as the Note or Lease/Purchase Agreement are outstanding convey, lease or otherwise encumber the Property (other than any existing encumbrances disclosed to Purchaser) and that the Property shall remain free and clear of all restrictions, liens, encumbrances and mortgages.

Section 2. Amendment of Section 10 of Resolution No. 744.

Section 10, second paragraph of Resolution No. 744 is also amended so that the third sentence shall read "The City reserves the right to obtain permanent financing from other parties only if permanent financing with US Bank is not finalized.

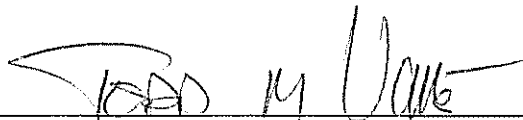
Section 3. Continuing Effect.

The other terms and conditions of Resolution No 744 continue in full force and effect except as hereinabove provided.

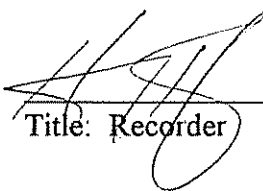
Section 4. Effective Date.

This amending resolution shall take effect and be in full force and effect from and after the date of its passage and approval.

APPROVED BY THE COUNCIL THIS 23RD DAY OF FEBRUARY 1993.



Title: Mayor



Title: Recorder